

Reference 79

Texas Air Control Board

AUSTIN

TEXAS

INTER-OFFICE

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SEP 21 1978

LEGAL
DIVISION

FROM Louis R. Roberts, Permits TO Eli Bell, Legal

SUBJECT Public Hearing requests, Uni Oil, Incorporated.

This facility has been constructed entirely under Texas Air Control Board permits. The original facility (C-5243) was a petroleum product storage facility owned by Oil & Gas Company of Texas, Incorporated. This facility was sold to Uni and tankage was added (C-5879), but no refining or product treatment was carried out at this location. All of the tankage and the truck loading rack covered by these two permits is located northwest of the FM 2725-Bishop Road intersection well away from residences.

Uni applied for a permit (C-6027) to construct a 10,000 barrel per day crude topping plant with its associated tankage, truck loading and barge dock in December, 1977. This facility is located southeast of the FM 2725-Bishop Road intersection, directly across Bishop Road from the residential area where most complaints have originated. While this refinery portion of the facility was under construction, citizen complaints of odor, dust, and noise began.

Three additional construction permit applications of Uni Oil, Incorporated, are pending at this time. These were the subject of the public meeting held on August 15, 1978, in Ingleside, Texas, and of the hearing requests received from various citizens after that meeting.

The first of these pending applications, C-6607, was received on June 9, 1978. It is for the construction of five new petroleum storage tanks. All of these tanks are to be constructed well back from any public roads or residences, but on the site southeast of the FM 2725-Bishop Road intersection. Other tankage and process equipment constructed under C-6027 lies between these proposed tanks and the roads or residences. Two of these tanks were exempted by letter on July 21, 1978, under Exemption No. 57 for the storage of residual oil. The staff review of this permit has been completed.

The second of these pending applications, C-6625, was received on June 14, 1978. It is for the construction of an additional 30,000 barrel per day crude distillation unit. This facility will be located along FM 2725, on the property southeast of the FM 2725-Bishop Road intersection. This portion of the refinery, however, is located away from any existing residences, across the road from a vacant tract of rangeland.

This distillation unit will not have any discrete process vents, and its only hydrocarbon emissions will be fugitives. One gas-fired crude heater is the only other source of emissions. New Source Performance Standards apply to the combustion of fuel gas in this heater and this permit unit will be required to use BACT to abate other potential emission sources. Uni has not yet determined a value for the fugitive hydrocarbon emissions from this facility, so that this permit is still under staff review.

SIGNED

Louis R. Roberts

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The last of these pending applications, C-6670, was received on July 3, 1978. This permit unit covers the change of service of two existing tanks located northwest of the FM 2725-Bishop Road intersection. The construction of these tanks was exempted under Exemption No. 57 by letter from the Region 5 office on November 18, 1977. The tanks are presently in residual oil service, and Uni proposes to install internal floating roofs in them and change their service to volatile naphtha. There will be a net hydrocarbon emission increase from these tanks after this proposed change of service and addition of control equipment. The staff review of this permit has been completed.

The above three pending permit applications, along with one permit application each from Tipperary Refining and Raymal Refining, Limited, were the subject of a public meeting held in Ingleside, Texas, on August 15, 1978, in an attempt to delineate and resolve the citizens' complaints received about these facilities. The majority of comments, complaints, and questions concerned the Uni facilities in the pending permits and the one issued permit, C-6027.

Area residents at the public meeting seemed most concerned about the facility constructed by Uni under permit C-6027. Uni's existing petroleum product storage tanks and truck loading rack had been in operation with few, if any, odor complaints. However, when the facility under permit C-6027 commenced construction, area residents became alarmed at its proximity to their homes. It has been constructed very near to residences (across a paved road-Bishop Road- only about 100 feet from residential yards to the above-ground pipeline rack on Uni property) and has probably affected property values of those homes. The residents themselves are primarily retired people and fishermen, etc. who moved to the rural area.

The complaints aired by residents at the public meeting chiefly concerned matters outside of the jurisdiction of the Texas Air Control Board. These items included Uni trucks exceeding established, posted speed limits on Bishop & Sunray Roads, increased noise from truck traffic, noise from refinery process equipment, noise from a high pressure gas regulating valve very close to residents homes, change in potability of resident's well water after Uni's refinery expansion, closing of a through street by Uni (with permission of the county commissioners) which was the only outlet from homes on Phayer Circle that did not pass through Uni's refinery, cutting down of trees along Bishop Road (on Uni property), likelihood of fire from tankage engulfing residents' homes, safety of school children who would have to wait for the school bus on narrow Bishop Road instead of FM 2725, and other related complaints. Uni has communicated their intent to resolve some of these problems to the area residents as a result of the public meeting.

Complaints aired at the public meeting which involved matters in which we have jurisdiction included odors from Uni and Raymal (the only operational facilities at the time of the meeting) northwest of FM 2725, odor complaints of diesel exhaust gas fumigating homes of Phayer Circle when Uni trucks load fuel oil for a long period of time with their motors idling, and fugitive dust complaints from area roads.

The fugitive dust is partly the result of Uni's construction operations, Uni's product tank truck traffic, and other heavy industries' truck traffic on narrow, poorly paved Bishop Road. Most of the dust experienced by residents of Phayer Circle comes from Bishop Road (a county road), since the wind direction in this vicinity is very constant and persistent. A lesser source of dust is generated during construction at Uni. Construction of the three pending permits should not exacerbate this dust problem since the prevailing wind should carry it away from these residences. If these dust problems do not abate after Uni's construction is finished, further investigation of the sources of the dust should be conducted.

The source of the odor complaints has been tentatively identified as either Raymal's Flare emissions when their igniter has blown out, or the hydrogen sulfide from spoil dredging operations in the Intercoastal Canal about one-half mile away (upwind). When the 10,000 barrel per day topping unit (C-6027) of Uni's is operational, additional fugitive odors may reach residents' homes, but the prevailing wind will tend to minimize this.

Uni has agreed to require and enforce truck drivers to turn off their engines while loading fuel oil on Bishop Road. Odors from the loading operation itself have apparently not been a problem, other than the diesel exhaust. If this can be enforced, this problem should be resolved.

At the public meeting, residents of Phayer Circle expressed the most concern about pending permits C-6607 (three new tanks) and C-6625 (30,000 BOPD expansion of capacity). These facilities are located across Bishop Road from them, but other process equipment under permit C-6027 is between these proposed facilities and residents' homes.

Along with the calculation of a fugitive emission for C-6625, Uni is investigating the effect of this expansion on tankage emissions and other emission sources in previously issued permits. It was our understanding that this expanded capacity was used to calculate emissions from tanks, truck loading racks, and barge docks under C-6027, but this is being verified.

It should be noted here that representatives of Uni Oil, Incorporated, met with us in a pre-permit meeting on August 11, 1978, to discuss permit applications which they have in preparation. They do not plan to expand the refining capacity of the overall facility beyond the 40,000 BOPD level already being reviewed. However, the future permit applications will significantly alter the nature and quantity of products produced.

After the three presently pending permit applications have been resolved, Uni plans to submit permit applications for UOP Fluid Catalytic Cracking Unit with its associated FCC gas concentration unit, LPG Merox Unit, and FCC gasoline Merox Unit, a sulfur recovery unit with an associated amine unit and sour water stripper, a catalytic reformer and hydrotreater, a vacuum distillation unit, and an HF Alkylation Unit. The addition of these five permit units to this facility will change this refinery from a crude topping unit producing fuel oil and naphtha to an integrated refinery producing gasoline, fuel oil, lubricating oils, and other petroleum derivatives. This shifting of production from fuel oil to gasoline will surely generate more input from area residents when these applications are reviewed. Again, permit C-6027 should already reflect the impact of the expanded refinery (even after the five future permit applications) upon tankage and loading emissions.

It is our opinion that the two pending permits C-6607 and C-6670 for tankage can be issued without a public hearing. Area residents' concerns centered primarily on refinery process equipment and not existing tankage. Residents were initially concerned about the lack of firewalls around tankage being built under C-6027, but these firewalls are being constructed now. They are usually the last construction on a storage tank because they impede access to the tank. No real opposition was expressed to the change of service covered by permit C-6670.

Permit application C-6625 is basic to the expansion of capacity of this facility. Emissions from this permit unit are minimal, however, because increased throughput in other parts of the refinery has already been accounted for in previous permit emission calculations.

The original 10,000 BOPD facility (C-6027) is poorly located. Its process equipment is close to public thoroughfares and residences. However, from an air pollution standpoint, emissions from the 40,000 BOPD expanded process area should not impact the nearest residences under persistent prevailing wind conditions. Although this facility is not ideally located with regard to emissions and land use, it is not unacceptably located in this respect.

It is our opinion that the 30,000 BOPD expansion application C-6625 should be supported on a land use basis.

This seems a little incongruous. I would say that it means that air pollution is not a problem, but that the neighbors have a valid complaint concerning noise, lights, traffic, etc. LRR